

### **REMARKS**

Claims 1-21 are pending in this application. In an Office Action mailed December 6, 2006 ("OA"), the Examiner rejected claims 1-21. With this response, Applicants amend claims 1-3, 6, 8, 12, 13, 15-19, and 21. Applicants respectfully traverse the rejections and request reconsideration based on the following remarks.

In addition, Applicants do not necessarily agree with or acquiesce to the Examiner's characterization of the claims or the prior art, even if those characterizations are not addressed herein.

#### **Claim Rejections under 35 U.S.C. § 102**

The Examiner rejected claims 1-7, 10-17, 20, and 21 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Publication No. 2003/0200439 ("Moskowitz"). Applicants respectfully traverse the rejection.

To establish a proper 102 rejection under MPEP § 2131, each element of the claim must be disclosed expressly or inherently within the prior art. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Moskowitz fails to disclose each and every element of these rejected claims.

Moskowitz is directed to a method and system that allows a vendor the ability to transmit packaging data to a user/customer. Moskowitz at Abstract. The vendor provides a server having several functions, such as charging the customer for bandwidth usage and creating a watermark for packets to be provided to the customer.

*Id.* at pages 4-5, paragraphs 19-21[4-5:19-21]. Moskowitz further supports this by stating:

Streaming, to date, has never been made economically viable because, in part, vendors have not taken a packet level view of the flow of data to people demanding a stream. Nor have vendors tied payment or willingness to pay to the packets. This is where the present invention differs.

[0021] This document addresses three things to assist in getting this done: efficient provisioning of the packets on the network the creation of a so-called "packet watermark"; creation of bandwidth credentials "to enhance liquidity and derivative pricing provisioning for future estimated use of bandwidth"; and market mechanisms with cryptographic protocols to assist in billing and resolution disputes, both for the packets themselves, and as an extension application of traditional watermarking to the data objects as a whole to uniquely identify the object as with previous watermarking disclosures. Preferably, packet watermarked data does not interfere with traditional watermarks to establish responsibility for the objects being transacted, since the consumer has no care about what the packets are but may benefit if the consumer is able to observe which paths are best for getting information. Vendors selling information similarly would pay premiums for a better understanding of this granularity.

*Id.* at 4:20-21 (emphasis added).

In other words, according to this statement and other portions within its specification, Moskowitz is limited to only providing a watermarked packet from a vendor server to a customer client.

Contrary to Moskowitz, amended claim 1 recites "[a] method for providing secure transmissions across a network comprising a client device and a server, the method comprising: at the client device, generating a stream of watermark bits; generating a plurality of watermarks, each of the plurality of watermarks comprising an index number and a portion of the stream of watermark bits; inserting at least one of the plurality of watermarks into each header of a plurality of outgoing packets; receiving, at the server, the plurality of outgoing packets; and determining if a received packet is valid based on

the watermark in the header of the received packet" (emphasis added). As provided in the analysis above, because Moskowitz clearly discloses that the vendor server only provides the packets to the user client, Moskowitz fails to disclose each and every limitation of claim 1. Therefore, Applicants respectfully submit that claim 1 is patentable over the cited prior art.

Claims 2-7, 10, and 11 depend on claim 1 and are patentable for at least the same reasons as claim 1.

Claims 12 and 21 recite language similar to the language recited in claim 1. Because of the similarity, claims 12 and 21 are patentable over the cited prior art for at least the same reasons as claim 1. Claims 13-17 and 20 depend on claim 12 and are patentable for at least the same reasons as claim 12.

Further, Applicants respectfully submit that these claims are non-obvious over the cited prior art as well. For example, one of ordinary skill in the art would not alter Moskowitz's customer client device to bill its corresponding vendor server based on the vendor server's usage of bandwidth. To do so would ruin Moskowitz's structure and purpose of the vendor's server billing its customers located at client devices based on the customers using the resources provided by the vendor's server.

#### **Claim Rejections under 35 U.S.C. § 103**

The Examiner rejected claims 8, 9, 18 and 19 under 35 U.S.C. § 103(a) as being unpatentable over Moskowitz. Applicants respectfully traverse the rejection.

Claims 8, 9, 18, and 19 depend on one of independent claims 1 and 12. As provided in the analysis above, Moskowitz fails to disclose each and every element of amended claims 1 and 12. Accordingly, because claims 8, 9, 18, and 19 depend upon

one of independent claims 1 and 12, claims 8, 9, 18, and 19 are patentable over Moskowitz for at least the same reasons as claims 1 and 12.

**CONCLUSION**

In view of the foregoing amendments and remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our Deposit Account No. 06-0916.

Respectfully submitted,

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